

Message Text

CONFIDENTIAL

PAGE 01 KHARTO 02577 301243Z

45

ACTION AF-04

INFO OCT-01 SS-14 ISO-00 EB-03 NSC-05 NSCE-00 INR-05

CIAE-00 PRS-01 L-01 OMB-01 TRSE-00 /035 W

----- 038696

R 301109Z AUG 76

FM AMEMBASSY KHARTOUM

TO SECSTATE WASHDC 2484

C O N F I D E N T I A L KHARTOUM 2577

LIMDIS

E.O. 11652: GDS

TAGS: EAID, EFIN, PFOR, SU

SUBJECT: CHARGE MEETING WITH FINANCE MINISTER-COMMENT

REF: KHARTOUM 2566

1. BIHEIRY IS CORRECT IN IDENTIFYING BALANCE OF PAYMENTS PROBLEMS AS SERIOUS BRAKE ON ECONOMIC DEVELOPMENT HERE, AND IT IS NOT SURPRISING THAT HE WOULD LIKE TO HAVE, IN EFFECT, A CHECKLIST OF USG PROGRAMS FOR WHICH GOS MAY BE ELIGIBLE. IN THAT SENSE HIS REQUEST IS REASONABLE AND WE SHOULD PROVIDE REPLY, ALTHOUGH IT PROBABLY WOULD BE BEST TO CHANNEL REPLY THROUGH MINISTER OF STATE FOR FOREIGN AFFAIRS FRANCIS DENG.

2. WE THINK IN REPLYING TO BIHEIRY'S QUERIES WE SHOULD REITERATE POSITIVE ROLE PRIVATE US FINANCIAL INSTITUTIONS CAN PLAY. THIS WOULD REQUIRE SOMEWHAT MORE LIBERAL GOS BANKING POLICIES THAN PRESENTLY EXIST. GOS SHOULD BE ENCOURAGED, IN ITS OWN SELF-INTEREST, TO PROMOTE FREER ENVIRONMENT FOR PRIVATE BANKS, AND WE BELIEVE US BANKS WITH STRONG TIES IN KUWAIT AND SAUDI ARABIA PROBABLY WOULD BE MORE LIKELY TO TAKE CLOSE LOOK AT SUDAN (A) IF MINISTRY OF FINANCE OFFERED ANY ENCOURAGEMENT AND (B) IF KUWAITI/ SAUDI BANKS WITH WHICH THEY INVOLVED CAME IN WITH THEM IN JOINT VENTURES HERE. SHOULD BE NOTED THAT LOCAL COMMER-
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 KHARTO 02577 301243Z

CIAL BANKS MIGHT RESIST INFUSION OF COMPETITION AND THAT

BIHEIRY HIMSELF IN PAST HAS NOT BEEN NOTABLY FORTHCOMING, FROM US BANKS' VIEW, ON THIS QUESTION. BUT HIS REMARKS TO CHARGE WERE POSITIVE, AND WE THINK THIS IS AREA WORTH MORE DISCUSSION.

3. WE COULD THEN REVIEW EXIMBANK, OPIC, PL-480 AND AID HOUSING GUARANTY PROGRAMS. AS DEPARTMENT AWARE GOS ALREADY KNOWS ABOUT SOME OF THESE PROGRAMS, AND IS TAKING ADVANTAGE OF THEM. OUR PURPOSE WOULD BE TO REVIEW SUCH RELATIVELY AUTONOMOUS PROGRAMS, AND DEPARTMENT MAY WISH TO SUGGEST OTHERS.

4. WE BELIEVE, HOWEVER, THAT KIND OF CHECKLIST BIHEIRY WANTS PROBABLY CANNOT BE PROVIDED. ON OTHER HAND, IMPORTANT FUNCTION OF AA AND CURRENT US ECONOMIC ASSISTANCE EFFORT IN SUDAN IS TO DETERMINE WHAT ASSISTANCE SUDAN REQUIRES AND IN WHAT WAYS USG CAN HELP. WE ARE, IN EFFECT, IN PROCESS OF ANSWERING BIHEIRY'S QUESTIONS BUT PROCESS WILL TAKE TIME. AS DEPT AWARE VISIT OF DAQSTEAM HERE NOW IS PART OF PROCESS WHEREBY UYK REVIEWING RANGE OF POSSIBILITIES. RECOGNIZING THAT NEITHER DENG NOR BIHEIRY MAY FULLY APPRECIATE THIS, WE SUGGEST BRIEFING AT LEAST DENG ON USG POLICY PLANNING/FORMULATION PROCESS IN CONNECTION WITH OUR AID PROGRAM HERE.

5. ON SPECIFIC QUESTION OF BALANCE OF PAYMENTS ASSISTANCE WE RECOMMEND THAT GOS BE ADVISED THAT WE, OF COURSE, RECOGNIZE THAT SUDAN HAS SERIOUS PROBLEMS IN THIS AREA AND WE SHALL BE REVIEWING BALANCE OF PAYMENTS SITUATION AS PART OF OUR OVERALL ANALYSIS OF GOS ECONOMY. IF IT POSSIBLE TO DO SO, WOULD BE HELPFUL IF WE COULD BE AUTHORIZED DISCUSS IN SOMEWHAT MORE DETAIL FACTORS THAT NORMALLY ARE INVOLVED WHERE DIRECT BALANCE OF PAYMENTS ASSISTANCE REQUIRED. IN THIS CONNECTION WOULD IT BE POSSIBLE TO PROVIDE ON CONFIDENTIAL BASIS BACKGROUND TO RECENT BALANCE OF PAYMENTS LOAN AGREEMENT WITH ZAIRE? (STATE DEPT BULLETIN AUG 9, 1976; P216).

6. ACTION REQUESTED: DEPT REQUESTED AUTHORIZE CHARGE TO DISCUSS USG FINANCIAL ASSISTANCE WITH DENG ALONG LINES
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 KHARTO 02577 301243Z

INDICATED ABOVE AND IF POSSIBLE TO PROVIDE ADDITIONAL INFO, SPECIFICALLY BACKGROUND INFO TO US-ZAIRE AGREEMENT, WHICH COULD BE USED IN DISCUSSING BALANCE OF PAYMENTS ASSISTANCE.
BOGOSIAN

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC ASSISTANCE, ECONOMIC DEVELOPMENT, BALANCE OF PAYMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 30 AUG 1976
Decaption Date: 28 MAY 2004
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976KHARTO02577
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D760329-0442
From: KHARTOUM
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t1976087/aaaaafxm.tel
Line Count: 112
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION AF
Original Classification: CONFIDENTIAL
Original Handling Restrictions: LIMDIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: LIMDIS
Reference: 76 KHARTOUM 2566
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 15 JUN 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <15 JUN 2004 by BoyleJA>; APPROVED <16 JUN 2004 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: CHARGE MEETING WITH FINANCE MINISTER-COMMENT
TAGS: EAID, EFIN, PFOR, SU
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006